

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:1899
ANSWERED ON:03.08.2000
ELECTRICITY BILL
AJAY SINGH CHAUTALA

Will the Minister of POWER be pleased to state:

- (a) whether the Electricity Bill 2000 is in the final stages and is likely to be placed before the Parliament for approval very soon;
- (b) if so, the details thereof; and
- (c) the action taken by the Government during the last one year to bring about reforms in SEBs and improvement in the power situation in the country and the results thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) & (b): The National Council of Applied Economic Research (NCAER) was engaged as a consultant to suggest the legislative changes required for accelerating the reform process in the power sector in the country. The NCAER has submitted draft Electricity Bill, 2000 to replace the existing three Electricity Laws (The Indian Electricity Act, 1910, The Electricity (Supply) Act, 1948 and The Electricity Regulatory Commissions Act, 1998).

The draft Bill suggests corporatisation of all the State Electricity Boards and their restructuring into separate entities that would provide for accountability based on profit centres, whether public or private; and setting up/reinforcing the Regulatory Commissions on the lines of the Electricity Regulatory Commissions Act, 1998. It stresses the need for efficiency and competition with the objective of providing reliable power supply to all consumers at competitive prices. It also provides for a clear delineation of roles and responsibilities. The draft bill is under discussion at various level before finalisation.

(c): Following steps have been taken by the Government to bring about reforms:-

1. Enactment of Electricity Regulatory Commission Act 1998 for rationalisation of tariff.

2. A Chief Ministers/Power Ministers Conference was organised on 26.2.2000 wherein it was resolved that reforms must be undertaken with determination, vigour and a sense of urgency for achieving commercial viability and providing power at reasonable rates to all. The Key elements of the reforms strategy are:

(i) Energy Audit at all levels.

(ii) Time-bound programme of 100% metering of all consumers by Dec., 2001.

(iii) Reduction and finally, elimination of power theft within a specified time frame.

(iv) Strengthening/upgradation of sub-transmission and distribution system by taking sub-station as an unit on a priority basis.

If the above appears unattainable in the existing set up, corporatization/cooperatization/privatization of distribution, would have to be undertaken.

3. Memorandum of Understanding entered into with Government of Karnataka, UP & MP to support the reform process.

4. Government of India has been assisting the States in availing loans from the International financial institutions like World Bank, for undertaking reforms.

5. For improvement of power situation in the country, the following steps have been taken:

(i) Expeditious implementation of capacity addition.

(ii) Promotion of measures for demand side management.

(iii) Renovation and Modernization (R&M) of old existing generation units.

(iv) Assistance by way of loans by Power Finance Corporation

(PFC) for improving operation and maintenance of thermal power stations under accelerated generation programme.

(v) Promotion of inter-state and inter-regional power transfer and increasing export of power from surplus Eastern Region to neighbouring regions.

(vi) Coordinated operation of hydro, thermal, nuclear and gas turbine power stations in the regional power system.

(vii) Augmentation of transmission, transformation capacity in the power system and installation of shunt capacitors to improve the voltage.

(viii) Reduction of transmission and distribution losses.

6. As a result of enactment of Electricity Regulatory Commissions Act, 1998, 14 States have notified setting up of State Electricity Regulatory Commissions. Regulatory Commission of Orissa, Maharashtra, Andhra Pradesh and UP have already issued tariff orders.

Further, SEBs of Orissa, Haryana, Andhra Pradesh, Uttar Pradesh and Rajasthan have been corporatised into separate companies for generation, transmission and distribution. Orissa has fully privatised distribution.